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CENTRAL INTELLIGENCE AGENCY ILLE

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6. ~~Yugoslavia~~ is now delivering certain raw materials to ~~delivering~~ machinery for sale. This machinery is ~~is~~ believed in Prague industrial circles that ~~the~~ Eastern Germany, since the instructions and catalogues of Czechoslovak industrialists are reluctant to accept this machinery and its origin (as possible war-time production machinery) is not known.
7. Czechoslovak deliveries of oil piping to Russia are possibly amounting to 45 percent of Czechoslovak production.
8. Apparently Belgium is Czechoslovakia's main source of lead. Negotiations with Belgium are not proceeding according to schedule. Czechoslovakia is also in need of lead. It was recently reported that firms in Czechoslovakia have been instructed to pay a premium price.
9. Czechoslovak trade with Yugoslavia has almost come to a standstill entirely due to the conflict between the Cominform and Yugoslavia. Several months before this occurred, deliveries to Yugoslavia were made. Yugoslavia was unable to make valuable enough shipments in machinery and fruit. After Tito's break with the Cominform, Czechoslovakia stopped all deliveries to Yugoslavia. This brought protests from the Kovostroj (Central Machine Production Board) on the grounds that it was possible to stop production of some heavy machinery which was in an advanced stage of manufacture. Therefore, some machine deliveries were made to Yugoslavia.
10. Whether or not Czechoslovakia is delivering arms to Ethiopia, these deliveries are most likely ultimately destined for Palestine.
11. Almost all Czechoslovak gold and foreign currency reserves are held in Switzerland. The following three persons, at present abroad, are in charge of these funds: Directors Chmela and Blazek, now on a three-month trip to South America; and Director Kosut, with the trade delegation in South America. The three are directors of the National Bank in Czechoslovakia. The Communist Party. Kosut (and possibly Chmela) is not a Communist by conviction. It is reported that Chmela and Blazek arranged to take the prolonged trip to South America on the assumption that war would break out this fall and they would then be able to place the funds of the National Bank at the disposal of the Czechoslovak Liberation Movement abroad.

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